

Doc. # 5510
ADOPTED
7/14/92

AGREEMENT

This AGREEMENT, dated July __, 1992, is by and among the Boston Redevelopment Authority ("the Authority"), the Massachusetts Industrial Finance Agency ("MIFA") and Massachusetts Biomedical Research Corporation ("MBRC").

WHEREAS, the Authority is the Landlord and MIFA is the Tenant in two certain ground leases in the Charlestown Navy Yard, namely the Building 149 Ground Lease dated May 23, 1985, assigned to MIFA as of August 8, 1989, and the Building 199 Ground Lease dated May 23, 1985 and assigned to MIFA as of August 8, 1989 (collectively, the "Ground Leases");

WHEREAS, the parties anticipate that MBRC will succeed to the interests of MIFA as the Tenant under these Ground Leases;

WHEREAS, Section 3.1 of the Building 149 Ground Lease requires the Tenant to pay Base Rent of \$390,000 per year (\$32,500 per month);

WHEREAS, Section 3.1 of the Building 199 Ground Lease requires the Tenant to pay Base Rent of \$110,000 per year (\$9,166 per month); and

WHEREAS, the parties wish to arrange for MIFA to pay in two installments the Base Rent which would have been due under the Ground Leases for a period of eighty-four (84) months from July 1992 through and including June 1999;

NOW, THEREFORE, the parties hereby agrees as follows:

1. MIFA shall pay to the Authority in lieu of Base Rent under the Ground Leases the sum of \$ _____ as of the date hereof and the sum of \$ _____ as of _____.

2. The Authority hereby agrees to accept these amounts in full satisfaction of any and all obligations which are due or could be due as Base Rent, Additional Rent or any other obligation under Section 3.1 of the Building 149 Ground Lease and Section 3.1 of the Building 199 Ground Lease and hereby releases MIFA and MBRC from all such obligations for the period through and including June 1999.

3. The obligations to pay Base Rent under said Sections 3.1 shall resume pursuant to the terms of the Ground Leases as of July 1999.

4. MIFA's obligations under this Agreement shall be subject to the provisions of Section 19.6 of the Ground Leases.

LANDLORD:

BOSTON REDEVELOPMENT AUTHORITY

TENANT:

MASSACHUSETTS INDUSTRIAL
FINANCE AGENCY

By:

Theodore Chandler
Acting Director

By:

Agreed to:

MASSACHUSETTS BIOMEDICAL
RESEARCH CORPORATION

By:

Joseph P. McCue
Executive Director

OBCA1174.DOC

As you are aware, in May of 1980 the Authority entered into an eighty (80) year Ground Lease with the Congress Group for Buildings 148 and 149 in the Navy Yard. The Authority subsequently approved a transfer to MIT which now occupies approximately 50% of the 548,000 square foot of Building 148 as medical research space. In addition, the research building is connected to an existing parking structure. Building 149, on the other hand, is the means of an unoccupied parking garage. Building 149 is a new three garage containing approximately 1,200 parking spaces. Both buildings currently pay a combined monthly rent of \$26,760 to the Authority plus payments for maintenance and vacancy.

As the General is the primary tenant of the buildings and is guaranteed by their lease agreement in the Navy Yard to a long-term lease, it is appropriate to approve the MIT offer of payment of their ground rent payments of seven years or an eighty four month period.

The development of this mixed stream has been structured at present value rate of 10.50 resulting in a lump sum value of \$2,284,702.

Under the proposal, even after the transfer and, the Authority will continue to receive the maintenance and security payments and will order the amount of only for the seven year period after which time the tenant will pay the monthly ground rent for the remainder of the eighty (80) year lease term.

It is recommended that the Authority approve the transfer of the ground rent of seven (7) years of ground rent's payments and that the Director be authorized to execute the necessary documents to effectuate said transfer.

JULY 14, 1992
JUNE 16, 1992

MEMORANDUM

TO: BOSTON REDEVELOPMENT AUTHORITY AND
THEODORE S. CHANDLER, ACTING DIRECTOR

FROM: JOSEPH NOONAN, ASSISTANT DIRECTOR,
ADMINISTRATION & FINANCE
PAUL BARRETT, ASSISTANT DIRECTOR,
ECONOMIC DEVELOPMENT

SUBJECT: CHARLESTOWN NAVY YARD, BUILDING 149 AND 199

SUMMARY: CHARLESTOWN NAVY YARD, BUILDING 149 AND 199.
REQUEST APPROVAL OF THE DOCUMENTS NECESSARY
TO ACKNOWLEDGE A LIMITED PREPAYMENT OF CERTAIN
GROUND LEASE PAYMENTS.

As you are aware in May of 1985 the Authority entered into an eighty (80) year Ground Lease with the Congress Group for Buildings 149 and 199 in the Navy Yard. The Authority subsequently approved a transfer to MGH which now occupies substantially all of the 649,000 square feet of Building 149 as medical research space. In addition, the research building is connected to an adjoining parking structure, Building 199, on four levels by means of an enclosed pedestrian bridge. Building 199 is a nine story garage containing approximately 1350 parking spaces. Both buildings presently pay a combined net monthly rent of \$36,766 to the Authority plus payments for maintenance and security.

As the General is the primary tenant of two buildings and is committed by their large investment in the Navy Yard to a long term tenancy, it is appropriate to approve the MGH offer of prepayment of their ground rent payments of seven years or an eighty four month period.

The prepayment of this limited stream has been calculated at present value rate of 10.50 resulting in a lump sum value of \$2,264,729.

Under the proposal, even after the prepayment, the Authority will continue to receive the maintenance and security payments and will accept the prepayment only for the seven year period after which time the tenant will pay full monthly ground rental for the remainder of the eighty (80) year lease term.

It is recommended that the Authority approve the present value prepayment of seven (7) years of ground lease payments and that the Director be authorized to execute the necessary documents to effectuate said prepayment.

An appropriate vote follows

execute documents with

VOTED: That the Director be and hereby is authorized to Massachusetts Biomedical Research Corporations to ~~execute documents necessary to effectuate a~~ prepayment by seven (7) years of net ground lease payments relating to Buildings 149 and 199 in the Charlestown Navy Yard at a percent value rate calculation at ten and a half percent.